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## FISCAL IMPACT REPORT

SPONSOR: Maes DATE TYPED: 02/07/03 HB \_\_\_\_\_

SHORT TITLE: Promote Economic Development in NM SB 322

ANALYST: Padilla

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$10,000.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department

### SUMMARY

#### Synopsis of Bill

Senate Bill 322 appropriates \$10,000.0 from the general fund to the Economic Development Department for the purpose of paying for advertising costs and travel expenses related to promoting New Mexico for economic development.

#### Significant Issues

EDD's FY03 general fund budget was \$6,001.0. The agency request and LFC recommendation for FY04 is \$5,820.7. This budget supports four programs, six divisions and 64 FTEs. The appropriation of \$10,000.0 in this bill is therefore more than one-and-a-half times EDD's current budget.

## **FISCAL IMPLICATIONS**

The appropriation of \$10,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

EDD did not provide any specific information about how it would use the funds provided by this bill. It did state, however, that the cost of administering the appropriation could be absorbed with existing agency resources.

## **ADMINISTRATIVE IMPLICATIONS**

Because this bill would provide such a significant increase to EDD's budget and appears limited to advertising costs and travel expenses, it is doubtful whether EDD has the capacity to absorb or manage the funds.

EDD believes this bill would significantly enhance its ability to reach a wider audience and would enable it to increase the current level of its cooperative advertising program.

EDD notes that it has performance measures in place to track the impact of this appropriation. For example, the department measures the following:

- Trade show leads and attendance.
- Number of direct inquiries and exposures.
- Amount of earned media.
- Amount of web traffic.
- Number of community profiles on EDD's website.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

As noted above, this bill relates to an appropriation of \$5,820.7 to EDD in the General Appropriation Act of FY04.

## **OTHER SUBSTANTIVE ISSUES**

EDD notes that the U.S. Census Bureau projects that New Mexico will have the fifth-fastest growing population in the U.S. by 2005. EDD therefore believes the state must try to achieve corresponding levels of job growth.

LP/prr